

JPEC

**Application for
Rate Increase**

**PSC Case No.
2007-00116**

Volume 2 of 3

JACKSON PURCHASE ENERGY CORPORATION
Kentucky Public Service Commission
Case No. 2007-00116
Application For General Rate Increase

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Exhibit G

Proposed Adjustments

Schedule 1	Adjustment to Revenue for Base Rate Change
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Jackson Purchase Energy
Test Year Balance Sheet

Line No.		2006	Normalization Adjustments	Normalized 2006
Assets & Deferred Charges				
1	Utility Plant	\$105,262,626		\$105,262,626
2	CWIP	\$3,204,054	\$77,266	\$3,281,320
3	Total Utility Plant	\$108,466,680	\$77,266	\$108,543,946
4	Less Accumulated Depreciation	\$31,714,276	\$594,580	\$32,308,856
5	Net Plant	\$76,752,404	(\$517,314)	\$76,235,090
6	Total Other Property & Investments	\$2,037,879	\$0	\$2,037,879
7	Cash and Cash Equivalents	\$3,665,763		\$3,665,763
8	Accts Rec Sales Net	\$2,301,010	\$463	\$2,301,473
9	Accrued Unbilled Revenues	\$1,668,277		\$1,668,277
10	Materials & Supplies	\$1,183,096	\$10,769	\$1,193,865
11	Prepayments & Other Assets	\$466,211	\$7,271	\$473,482
12	Total Current & Accrued Assets	\$9,284,357	\$18,503	\$9,302,860
13	Misc. Deferred Debits	\$1,291,215	\$0	\$1,291,215
	Net Change In Assets	\$0	\$4,052,875	\$4,052,875
14	Total Assets & Debits	\$89,365,855	\$3,554,064	\$92,919,919
Liabilities & Equities				
15	Memberships	\$208,695		\$208,695
16	Patronage Capital	\$34,235,714	\$3,554,064	\$37,789,778
17	Total Margin & Equities	\$34,444,409	\$3,554,064	\$37,998,473
18	LT RUS Debt	\$46,718,372		\$46,718,372
19	Current Maturities of LT Debt	\$2,000,000		\$2,000,000
20	Total Long-Term Debt	\$48,718,372		\$48,718,372
21	Accumulated Operating Provisions	\$861,127		\$861,127
22	Total Other Non-Current Liabilities	\$861,127		\$861,127
23	Accounts Payable	\$3,140,559		\$3,140,559
24	Consumer Deposits	\$1,251,047		\$1,251,047
25	Other Current & Accrued Liabilities	\$756,807		\$756,807
26	Total Current & Accrued Liabilities	\$5,148,413		\$5,148,413
27	Other Deferred Credits	\$193,534		\$193,534
28	Total Liabilities & Deferred Credits	\$89,365,855	\$3,554,064	\$92,919,919

Jackson Purchase Energy
Test Year Income Statement With Adjustments

Line No.		2006 As Booked	Normalization Adjustments	Normalized 2006	Proposed Increase	Normalized 2006 With Increase
1	Operating Revenues	\$37,396,373		\$37,396,373	\$3,554,064	\$40,950,437
2	Cost of Purchased Power	\$23,655,944		\$23,655,944		\$23,655,944
3	Transmission Expense	\$0		\$0		\$0
4	Distribution Expense - Operation	\$1,761,777	\$53,689	\$1,815,466		\$1,815,466
5	Distribution Expense – Maintenance	\$3,413,939	\$54,782	\$3,468,721		\$3,468,721
6	Consumer Accounts Expense	\$1,088,682	\$20,121	\$1,108,803		\$1,108,803
7	Customer Service Expense	\$220,972	\$6,638	\$227,610		\$227,610
8	Sales Expense	\$56,695	(\$38,038)	\$18,657		\$18,657
9	A&G Expense	\$1,992,235	(\$52,882)	\$1,939,353		\$1,939,353
10	Total O&M Expense	\$32,190,244	\$44,310	\$32,234,554		\$32,234,554
11	Depreciation Expense	\$3,235,100	\$594,972	\$3,830,072		\$3,830,072
12	Property Tax Expense	\$0		\$0		\$0
13	Other Tax Expense	\$41,657		\$41,657		\$41,657
14		\$35,467,001	\$639,282	\$36,106,283		\$36,106,283
15	Return	\$1,929,372	(\$639,282)	\$1,290,090		\$4,844,154
16	LT Interest Expense	\$2,660,517	\$53,526	\$2,714,043		\$2,714,043
17	Interest Charges To Construction – Cr	\$0		\$0		\$0
18	Other Interest	\$66,911		\$66,911		\$66,911
19	Other Deductions	\$15,995	(\$1,424)	\$14,571		\$14,571
20	Total Interest Costs	\$2,743,423	\$52,102	\$2,795,525		\$2,795,525
21	Operating Margins	(\$814,051)	(\$691,384)	(\$1,505,435)		\$2,048,629
22	Non-Operating Margins - Interest	\$593,283	(\$41,096)	\$552,187		\$552,187
23	AFUDC	\$0		\$0		\$0
24	Income Form Equity Investment	\$0		\$0		\$0
25	Non-Operating Margins	\$0	(\$1)	(\$1)		(\$1)
26	G&T Capital Credits	\$0		\$0		\$0
27	Other Capital Credits/Patronage Div	\$113,228		\$113,228		\$113,228
28	Extraordinary Items	\$0		\$0		\$0
29	Net Margins	(\$107,540)	(\$732,481)	(\$840,021)		\$2,714,043
30	Operating TIER	0.69		0.45		1.75
31	Net TIER	0.96		0.69		2.00
32	MDSC	1.23		1.21		1.96
33	Proposed Rate Increase (%)				9.50%	

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Jackson Purchase Energy Corporation
Case No. 2007-00116
Purchased Power - Narrative
December 31, 2006

Explanation on Purchased Power Bills:
In September 2006 Big Rivers Electric Corporation, Jackson Purchase Energy Corporation's power supplier discovered a metering error in one of the substations dating back to May, 2006. This resulting adjustment in power cost was spread over the remaining months until the end of the year. The schedule designated "normalized" reflects all Kw and Kwh as if the account had been billed correctly. The schedule marked "as billed" reflects the actual bills received. For the annual period all dollar amounts and Kwh are the same in both schedule.
The columns labeled Rate Reduction reflects the wholesale discount reduction which is passed back to members on a dollar for dollar basis under previous filed discount riders.

Jackson Purchase Energy Corporation
Case No. 2007-00116
Purchased Power - As Billed
December 31, 2006

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Normalized

"Rural"

Date	KW	KW Charge	KWH	KWH Charge	Rate Rdctn
Jan-06	105,680	778,861.60	53,791,710	1,097,350.88	-62,944.09
Feb-06	122,149	900,238.13	53,142,347	1,084,103.88	-61,663.50
Mar-06	102,975	758,925.75	49,096,869	1,001,576.13	-63,628.59
Apr-06	95,228	701,830.36	41,837,770	853,490.51	-60,649.63
May-06	121,161	892,956.57	47,026,742	959,345.54	-62,629.16
Jun-06	140,185	1,033,163.45	58,174,668	1,186,763.19	-64,638.30
Jul-06	148,011	1,090,841.07	66,976,352	1,366,317.58	-68,899.36
Aug-06	147,433	1,086,581.21	69,155,204	1,410,766.17	-68,872.12
Sep-06	105,928	780,689.36	46,062,156	939,667.98	-69,038.61
Oct-06	108,718	801,251.66	46,936,585	957,506.33	-62,688.64
Nov-06	98,311	724,552.07	49,474,510	1,009,280.00	-62,762.64
Dec-06	128,347	945,917.39	57,929,590	1,181,763.64	-60,608.60
	1,424,126	10,495,808.62	639,604,501	13,047,931.83	-769,023.26

"Shell"

Date	KW	KW Charge	KWH	KWH Charge	Rate Rdctn
Jan-06	3,588	36,397.90	1,802,800	24,725.40	-2,623.17
Feb-06	3,532	35,849.80	1,645,600	22,569.40	-2,008.88
Mar-06	3,542	35,951.30	1,357,880	18,623.32	-1,873.23
Apr-06	3,575	36,286.25	1,742,450	23,897.70	-1,880.11
May-06	6,102	61,935.30	2,787,200	38,226.45	-2,423.47
Jun-06	6,080	61,712.00	2,748,980	37,702.26	-3,506.17
Jul-06	6,134	62,260.10	2,742,970	37,619.83	-3,096.71
Aug-06	5,908	59,966.20	2,267,530	31,099.17	-2,809.07
Sep-06	5,886	59,742.90	2,836,370	38,900.81	-2,525.91
Oct-06	3,413	34,641.95	1,354,360	18,575.05	-3,554.45
Nov-06	3,488	35,403.20	1,103,640	15,136.42	-1,899.09
Dec-06	3,488	57,225.70	1,950,070	26,745.21	-1,766.69
		577,372.60	24,339,850	333,821.02	-29,966.96

"TOTALS"

Date	KW	KW Charge	KWH	KWH Charge	Rate Rdctn	Peak	Day	Time	Total Dollars
Jan-06	109,266	815,259.50	55,594,510	1,122,076.28	-65,567.26	1/17/2006	Tuesday	7:00 PM	1,871,768.52
Feb-06	125,681	936,087.93	54,787,947	1,106,673.28	-63,672.38	2/18/2006	Saturday	4:30 PM	1,979,088.83
Mar-06	106,517	794,877.05	50,454,749	1,020,199.45	-65,501.82	3/21/2006	Tuesday	7:30 PM	1,749,574.68
Apr-06	98,803	738,116.61	43,580,220	877,388.21	-62,529.74	4/19/2006	Wednesday	5:30 PM	1,552,975.08
May-06	127,263	954,891.87	49,813,942	997,571.99	-65,052.63	5/27/2006	Saturday	5:00 PM	1,887,411.23
Jun-06	146,265	1,094,875.45	60,923,646	1,224,465.45	-69,144.47	6/21/2006	Wednesday	5:00 PM	2,251,196.43
Jul-06	154,145	1,163,101.17	69,719,322	1,403,937.41	-71,996.09	7/19/2006	Wednesday	5:30 PM	2,485,042.49
Aug-06	153,341	1,146,547.41	71,422,734	1,441,865.34	-71,681.19	8/9/2006	Wednesday	3:30 PM	2,516,731.56
Sep-06	111,814	840,432.26	48,898,526	978,568.79	-71,564.62	9/17/2006	Sunday	3:30 PM	1,747,436.53
Oct-06	112,131	835,893.61	48,290,945	976,081.38	-66,243.09	10/4/2006	Wednesday	5:00 PM	1,745,731.90
Nov-06	101,799	759,955.27	50,578,150	1,024,416.42	-64,661.73	11/21/2006	Tuesday	7:30 AM	1,719,709.96
Dec-06	131,835	1,003,143.09	59,879,660	1,208,508.65	-62,375.28	12/8/2006	Friday	7:00 AM	2,149,276.65
		11,073,181.22	663,944,351	13,381,752.85	-798,990.21				23,655,943.86

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Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Purchased Power - As Billed
 December 31, 2006

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"Rural"

Date	KW	KW Charge	KWH	KWH Charge	Rate Rdcn
Jan-06	105,680	778,861.60	53,791,710	1,097,350.88	-62,944.09
Feb-06	122,149	900,238.13	53,142,347	1,084,103.88	-61,653.50
Mar-06	102,975	758,925.75	49,096,869	1,001,576.13	-63,628.59
Apr-06	95,228	701,830.36	41,837,770	853,480.51	-60,649.63
May-06	119,474	880,523.38	46,296,320	944,444.93	-62,629.16
Jun-06	138,290	1,019,197.30	57,105,920	1,164,960.77	-63,883.18
Jul-06	146,134	1,077,007.58	65,836,500	1,343,064.60	-68,035.53
Aug-06	145,538	1,072,615.06	68,025,040	1,387,710.82	-68,063.36
Sep-06	105,928	780,689.36	46,062,156	939,667.98	-68,242.92
Oct-06	108,718	819,315.53	46,936,585	985,176.79	-63,763.11
Nov-06	98,311	742,615.94	48,474,510	1,036,950.46	-63,837.11
Dec-06	128,347	963,988.63	57,929,590	1,209,434.08	-61,683.08
		<u>10,495,808.62</u>	<u>635,535,317</u>	<u>13,047,931.83</u>	<u>-769,023.26</u>

"Shell"

Date	KW	KW Charge	KWH	KWH Charge	Rate Rdcn
Jan-06	3,586	36,397.90	1,802,800	24,725.40	-2,623.17
Feb-06	3,532	35,849.80	1,645,600	22,569.40	-2,008.88
Mar-06	3,542	35,951.30	1,357,880	18,623.32	-1,873.23
Apr-06	3,575	36,286.25	1,742,450	23,897.70	-1,880.11
May-06	6,102	61,935.30	2,787,200	38,226.45	-2,423.47
Jun-06	6,080	61,712.00	2,748,980	37,702.26	-3,506.17
Jul-06	6,134	62,260.10	2,742,970	37,619.83	-3,096.71
Aug-06	5,908	59,966.20	2,267,530	31,099.17	-2,809.07
Sep-06	5,886	59,742.90	2,836,370	38,900.81	-2,525.91
Oct-06	3,413	34,641.95	1,354,360	18,575.05	-3,554.45
Nov-06	3,488	35,403.20	1,103,640	15,136.42	-1,899.09
Dec-06	5,638	57,225.70	1,950,070	26,745.21	-1,766.69
		<u>577,372.60</u>	<u>24,339,850</u>	<u>333,821.02</u>	<u>-29,966.95</u>

"TOTALS"

Date	KW	KW Charge	KWH	KWH Charge	Rate Rdcn	Peak	Day	Time	Total Dollars
Jan-06	109,266	815,259.50	55,594,510	1,122,076.28	-65,567.26	1/17/2006	Tuesday	7:00 PM	1,871,768.52
Feb-06	125,681	936,087.93	54,787,947	1,106,673.28	-63,672.38	2/18/2006	Saturday	4:30 PM	1,979,088.83
Mar-06	106,517	794,877.05	50,454,749	1,020,199.45	-65,501.82	3/21/2006	Tuesday	7:30 PM	1,749,574.68
Apr-06	98,803	738,116.61	43,580,220	877,388.21	-62,529.74	4/19/2006	Wednesday	5:30 PM	1,552,975.08
May-06	125,576	942,458.68	49,083,520	982,671.38	-65,052.63	5/27/2006	Saturday	5:00 PM	1,860,077.43
Jun-06	144,370	1,080,909.30	59,854,900	1,202,663.03	-67,389.35	6/21/2006	Wednesday	5:00 PM	2,216,182.98
Jul-06	152,268	1,139,267.68	68,579,470	1,380,684.43	-71,132.24	7/19/2006	Wednesday	5:30 PM	2,448,819.87
Aug-06	151,446	1,132,581.26	70,292,570	1,418,809.99	-70,872.43	8/9/2006	Wednesday	3:30 PM	2,480,518.82
Sep-06	111,814	840,432.26	48,898,526	978,568.79	-70,768.83	9/17/2006	Sunday	3:30 PM	1,748,232.22
Oct-06	112,131	853,957.48	48,290,945	1,003,751.84	-67,317.56	10/4/2006	Wednesday	5:00 PM	1,790,391.76
Nov-06	101,799	778,019.14	50,578,150	1,052,086.88	-65,736.20	11/21/2006	Tuesday	7:30 AM	1,764,369.82
Dec-06	133,985	1,021,214.33	59,879,660	1,236,179.29	-63,449.77	12/8/2006	Friday	7:00 AM	2,193,943.55
		<u>11,073,181.22</u>	<u>659,875,167</u>	<u>13,381,752.85</u>	<u>-798,990.21</u>				<u>23,655,943.86</u>



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Customers were not updated because the test year consisted of historical year 2006 with normalizing adjustments for known and measurable changes. JPEC does not directly forecast its customers and such forecasts, if made, would not be used in the compilation of the cost of service study. A Form-7 for 2007 will be available in the first quarter of 2008 which will contain actual updated customer data.



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Jackson Purchase Energy Corporation
Case No. 2007-00116
Depreciation Expense General Information
December 31, 2006

Exhibit G
Schedule 4
page 1 of 5
Witness: Chuck Williamson

Depreciation Expense

For distribution plant, depreciation is computed on a composite basis. The rates were developed by a joint depreciation study authored by Jackson Purchase Energy Corporation staff and the Rural Utilities Service. The ending plant balance is multiplied by rates that were determined by the study. Depreciation rates and procedures follow RUS Bulletin 183-1.

Depreciation on general assets is performed on a specific asset basis, utilizing rates developed in a study performed by the staff of Jackson Purchase Energy Corporation. This study was dated September 30, 2002 and was accepted by the commission in Case No. 2002-00485. Under this case, a theoretical was computed and compared to the existing accumulated depreciation balance. The difference is being amortized over an eight year period. The depreciation software being utilized to depreciate these assets allows future depreciation to be calculated, factoring in any assets that are or may become fully depreciated during the period.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on miles driven for each vehicle from the daily time sheets of employees driving the vehicles.

Depreciation on stores equipment is charged to a clearing account. Stores expense is allocated to inventory items based upon their cost.

Depreciation on some power operated equipment is charged to the transportation clearing account. This cost is allocated to jobs based upon time sheets detailing power equipment usage.

Jackson Purchase Energy Corporation
 Case No. 2007-00116
 Normalized Depreciation
 December 31, 2006

A/C No.	Account	Balance End of Year	Depr Rate	Normalized Expense	Test Year Expense	Adjustment
DISTRIBUTION PLANT						
360	Land & Land Rights	\$ 235,871	0.00%	\$ -	\$ -	-
361	Structures & Improvements	0	0.00%	-	-	-
362	Station Equipment	12,008,367	1.60%	192,051	158,113	33,938
364	Poles, Towers & Fixtures	28,486,552	4.31%	1,228,879	1,153,513	75,366
365	Overhead Cond. & Devices	17,054,966	3.59%	612,167	572,227	39,940
366	Underground Conduit	4,106,735	1.69%	69,281	69,095	186
367	Undergrd. Cond. & Devices	9,423,466	2.90%	273,216	285,423	(12,207)
368	Line Transformers	15,623,839	5.31%	829,658	417,421	412,237
369	Services	6,468,811	1.48%	95,819	137,819	(42,000)
370	Meters	2,934,243	3.99%	117,020	124,971	(7,951)
371	Install. on Cons. Premises	1,484,794	12.09%	179,451	93,126	86,325
372	Leased Prop. on Cons. Premis.	1,048	0.00%	-	105	(105)
373	St. Ltg. & Signal Systems	558,138	3.47%	19,366	7,644	11,722
	Total Distribution Plant	\$ 98,386,830		\$ 3,616,908	\$ 3,019,457	\$ 597,451
GENERAL PLANT						
389	Land & Land Rights	\$ 86,866	0.00%	\$ -	\$ -	-
390	Structures & Improvements	2,047,039	2.50%	40,124	39,960	164
391	Office Furniture & Equip.	614,616	5.00%	28,381	29,737	(1,356)
392	Transportation Equipment	2,455,786	10 or 20%	301,202	299,484	1,718
393	Stores Equipment	79,007	5.00%	3,604	4,250	(646)
394	Tools, Shop & Garage Equip.	451,976	6.67%	29,156	29,428	(272)
395	Laboratory Equipment	169,060	6.67%	8,895	11,316	(2,421)
396	Power Operated Equip.	287,695	10.00%	21,022	23,814	(2,792)
397	Communication Equip.	589,509	5.00%	99,155	96,567	2,588
398	Miscellaneous Equip.	94,242	10.00%	7,453	8,308	(855)
	Total General Plant	\$ 6,875,796		\$ 538,992	\$ 542,864	\$ (3,872)
	TOTAL ELECTRIC PLANT IN SERVICE	\$ 105,262,626		\$ 4,155,900	\$ 3,562,321	\$ 593,579

Jackson Purchase Energy Corporation
Case No. 2007-00116
Fixed Asset Account Progression
Year Ended December 31, 2006

A/C No.	Account	Depr Rate	Balance Beg. of Year	Additions	Retirements	Reclass Debits-(Credits)	Balance End of Year
DISTRIBUTION PLANT							
360	Land & Land Rights	0.00%	\$223,945	\$11,926	\$0	\$0	\$235,871
361	Structures & Improvements	0.00%	0	0	0	0	0
362	Station Equipment	1.53%	10,328,072	1,788,322	108,803	776	12,008,367
364	Poles, Towers & Fixtures	4.19%	27,199,878	1,455,212	168,538	0	28,486,552
365	Overhead Cond. & Devices	3.47%	16,377,025	790,804	112,863	0	17,054,966
366	Underground Conduit	1.77%	3,813,594	293,609	468	0	4,106,735
367	Undergrd. Cond. & Devices	3.19%	8,796,410	650,832	23,776	0	9,423,466
368	Line Transformers	2.75%	14,899,469	946,047	220,901	(776)	15,623,839
369	Services	2.23%	5,946,218	530,886	8,293	0	6,468,811
370	Meters	4.34%	2,824,069	135,491	25,317	0	2,934,243
371	Install. on Cons. Premises	6.42%	1,431,186	77,711	24,103	0	1,484,794
372	Leased Prop. on Cons. Premises.	10.00%	1,048	0	0	0	1,048
373	St. Ltg. & Signal Systems	1.44%	530,852	27,949	663	0	558,138
	Total Distribution Plant		\$92,371,766	\$6,708,789	\$693,725	\$0	\$98,386,830
GENERAL PLANT							
389	Land & Land Rights	0.00%	\$86,866	\$0	\$0	\$0	\$86,866
390	Structures & Improvements	2.50%	2,040,454	6,585	0	0	2,047,039
391	Office Furniture & Equip.	5.00%	705,299	37,370	128,053	0	614,616
392	Transportation Equipment	10 or 20%	2,172,010	527,828	244,052	0	2,455,786
393	Stores Equipment	5.00%	79,007	0	0	0	79,007
394	Tools, Shop & Garage Equip.	6.67%	429,355	22,621	0	0	451,976
395	Laboratory Equipment	6.67%	167,198	1,862	0	0	169,060
396	Power Operated Equip.	10.00%	282,543	5,152	0	0	287,695
397	Communication Equip.	5.00%	540,789	64,577	15,857	0	589,509
398	Miscellaneous Equip.	10.00%	94,163	1,311	1,232	0	94,242
	Total General Plant		\$6,597,684	\$667,306	\$389,194	\$0	\$6,875,796
	TOTAL ELECTRIC PLANT IN SERVICE		\$98,969,450	\$7,376,095	\$1,082,919	\$0	\$105,262,626

Jackson Purchase Energy Corporation
Case No. 2007-00116
Accumulated Depreciation Account Progression
Year Ended December 31, 2006

A/C No.	Account	Balance Beg. of Year	Depreciation Expense	Retirements	Removal	Salvage	Reclass (Debits)-Credits	Balance End of Year
	DISTRIBUTION PLANT							
	Land & Land Rights	\$ 0	0	0	0	0	0	0
108.600	Structures & Improvements	1,164,968	158,113	108,803	7,683	58,335	(7)	1,264,923
108.662	Station Equipment	9,860,117	1,153,513	168,538	235,163	18,913	0	10,628,842
108.664	Poles, Towers & Fixtures	5,255,456	572,227	112,863	122,912	50,685	0	5,642,593
108.665	Overhead Cond. & Devices	583,417	69,095	468	87	59	0	652,016
108.666	Underground Conduit	2,187,176	285,423	23,776	10,523	10,111	0	2,448,411
108.667	Undergrd. Cond. & Devices	3,568,221	417,421	220,901	177,255	23,445	7	3,610,938
108.668	Line Transformers	2,293,694	137,819	8,293	20,947	13,595	0	2,415,868
108.669	Services	1,066,821	124,971	25,317	3,244	45	0	1,163,276
108.670	Meters	620,867	93,125	24,103	23,615	2,415	0	668,690
108.671	Install. on Cons. Premises	(102,078)	105	0	0	0	0	(101,973)
108.672	Leased Prop. on Cons. Premis.	96,340	7,644	663	184	0	0	103,137
108.673	St. Ltg. & Signal Systems	\$ 26,594,999	\$ 3,019,457	\$ 693,725	\$ 601,613	\$ 177,603	\$ -	\$ 28,496,721
	Total Distribution Plant							
	GENERAL PLANT							
	Land & Land Rights	\$ 0	0	0	0	0	0	0
108.730	Structures & Improvements	1,207,840	39,960	0	0	0	0	\$1,247,800
108.710+108.711	Office Furniture & Equip.	566,755	29,737	120,217	0	0	0	476,275
108.720	Transportation Equipment	785,664	299,484	184,207	0	0	0	900,941
108.770	Stores Equipment	48,894	4,250	0	0	0	0	53,144
108.740	Tools, Shop & Garage Equip.	248,347	29,428	0	0	0	0	277,775
108.750	Laboratory Equipment	101,781	11,316	0	0	0	0	113,097
108.790	Power Operated Equip.	137,000	23,814	0	0	0	0	160,814
108.760+108.761	Communication Equip.	(155,770)	96,567	4,843	0	0	0	(64,046)
108.780	Miscellaneous Equip.	44,287	8,308	840	0	0	0	51,755
	Total General Plant	\$ 2,984,798	\$ 542,864	\$ 310,107	\$ -	\$ -	\$ -	\$ 3,217,555
	TOTAL ELECTRIC PLANT IN SERVICE	\$ 29,579,797	\$ 3,562,321	\$ 1,003,832	\$ 601,613	\$ 177,603	\$ -	\$ 31,714,276

Jackson Purchase Energy Corporation
Case No. 2007-00116
Depreciation Expense Detail
December 31, 2006

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	Normalized	Test Year	Adjustment
Total depreciation accruals	4,155,900	3,562,321	\$ 593,579
Less amounts charged to clearing:			
Transportation	(301,202)	(299,484)	(1,718)
Stores	(3,604)	(4,250)	646
Power Operated Equipment	(21,022)	(23,487)	2,465
Net depreciation	<u>3,830,072</u>	<u>3,235,100</u>	<u>\$ 594,972</u>

Transportation Allocation

	Percent	Amount
Construction and retirement WIP	49%	\$ 836
Others	3%	50
Distribution - operations	16%	267
Distribution - maintenance	27%	462
Consumer accounts	2%	41
Consumer service and information	0%	-
Administration and general	4%	62
Total	<u>100%</u>	<u>\$ 1,718</u>

Stores Allocation

	Percent	Amount
Construction and retirement WIP	81%	\$ (523)
Others	2%	(13)
Distribution - operations	5%	(32)
Distribution - maintenance	12%	(78)
Consumer accounts	0%	-
Consumer service and information	0%	-
Administration and general	0%	-
Total	<u>100%</u>	<u>\$ (646)</u>

Power Operated Equipment Allocation

	Percent	Amount
Construction and retirement WIP	52%	\$ (1,274)
Others	3%	(76)
Distribution - operations	17%	(409)
Distribution - maintenance	29%	(705)
Consumer accounts	0%	-
Consumer service and information	0%	-
Administration and general	0%	-
Total	<u>100%</u>	<u>\$ (2,465)</u>

	Transp	Stores	Power Equip	Total
Construction and retirement WIP	\$ 836	\$ (523)	\$ (1,274)	\$ (962)
Others	50	(13)	(76)	(39)
Distribution - operations	267	(32)	(409)	(174)
Distribution - maintenance	462	(78)	(705)	(321)
Consumer accounts	41	-	-	41
Consumer service and information	-	-	-	-
Administration and general	62	-	-	62
Total	<u>\$ 1,718</u>	<u>\$ (646)</u>	<u>\$ (2,465)</u>	<u>\$ (1,393)</u>

1 Jackson Purchase Energy Corporation
2 Case No. 2007-00116
3 Normalized Interest Expense Adjustments
4 December 31, 2006
5

Exhibit G
Schedule 5
Page 1 of 3
Witness: Chuck Williamson

6 The adjustment for interest on long-term debt results in an increase of \$56,526.
7

8 This adjustment has been calculated by multiplying the test year end debt amounts
9 by the interest rates in effect at the end of the test year for each loan.
10

11

12

13 Long-term debt interest schedule of long term debt:

14

15	RUS loans	\$ 1,420,614
16	FFB loans	831,424
17	CoBank Loan	417,033
18	CFC Loans	<u>44,971</u>

19

20 Total normalized long-term interest 2,714,043

21

22 Test year long-term interest 2,660,517

23

24 Normalized long-term debt interest adjustment \$ 53,526

25

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Jackson Purchase Energy Corporation
Case No. 2007-00116
Schedule of Outstanding Long-Term Debt
December 31, 2006

Exhibit G
Schedule 5
Page 2 of 3
Witness: Chuck Williamson

Type of Debt Issued (a)	Date of Issue (b)	Balance at 12/31/2006 (c)	Current Interest Rate (d)	Annualized Cost Col (e) x (d) (f)	Test Year Interest Cost (g)
12 RUS Loans:					
13 0B180	9/26/1972	\$ 11,638	2.00%	233	\$ 374
14 0B182	9/26/1972	11,643	2.00%	233	374
15 1B260	8/25/1982	472,505	5.00%	23,625	24,492
16 1B262	8/25/1982	472,506	5.00%	23,625	24,492
17 1B270/1B273	9/20/1984	1,861,615	5.00%	93,081	95,787
18 1B280	6/22/1988	1,038,808	5.00%	51,840	52,875
19 1B281/1B283	6/22/1988	1,065,788	5.00%	53,289	54,348
20 1B290/1B292	8/20/1991	2,250,765	5.00%	112,538	114,289
21 1B300/1B305	9/3/1993	3,700,387	5.00%	185,019	187,487
22 1B310/1B311	1/25/1996	4,263,044	5.00%	213,152	215,595
23 1B320	2/4/2000	6,249,653	5.00%	312,483	315,372
24 1B330	7/24/2001	4,306,025	5.53%	238,123	239,962
25 1B331	6/3/2003	307,130	3.67%	11,272	11,389
26 1B332	6/3/2003	2,782,022	3.67%	102,100	103,164
27	Sub-Total	<u>28,791,529</u>		<u>1,420,614</u>	<u>1,439,999</u>
29 FFB Loans:					
30 H0010 (FFB)	6/3/2003	\$ 2,401,200	4.226%	101,475	\$100,040
31 H0015 (FFB)	6/17/2004	2,089,286	4.422%	92,388	87,763
32 H0020 (FFB)	6/17/2004	2,089,286	5.283%	110,377	104,851
33 H0025 (FFB)	9/29/2005	5,318,182	4.534%	241,126	229,055
34 H0030 (FFB)	3/7/2006	5,822,470	4.913%	286,058	267,170
35	Sub-Total	<u>17,720,424</u>		<u>831,424</u>	<u>788,880</u>
37 CFC Loans:					
38 9001 (CFC)	08/31/84	\$ 836,677	5.375% (Effective)	44,971	46,268
40 CoBank Loans:					
41 ML0731T2	02/24/94	\$1,638,614	6.62% (Variable)	108,476	96,603
42 ML0731T3	08/27/91	1,092,192	6.62% (Variable)	72,303	64,260
43 ML0731T5	06/15/88	1,052,930	6.62% (Variable)	69,704	62,149
44 ML0731T6	09/02/03	2,515,862	4.78%	166,550	162,357
45	Sub-Total	<u>\$6,299,598</u>		<u>\$417,033</u>	<u>\$385,370</u>
47	Total long term debt and annualized cost	<u>\$ 53,648,228</u>		<u>\$ 2,714,043</u>	<u>\$ 2,660,517</u>
49	Annualized cost rate [Total Col. (f) / Total Col. (c)]			5.06%	
50	Actual test year cost rate [Total Col (g) / Total Reported in Col. (c)]				4.96%

Jackson Purchase Energy Corporation
Case No. 2007-00116
Interest Income Adjustment
December 31, 2006

Exhibit G
Schedule 5
Page 3 of 3
Witness: Chuck Williamson

6 **Adjustment for Interest Income:**

8 This adjustment is to normalize interest income as excess balances that were
9 invested in 2006 are now expected to diminish as plant is built. Borrowing are now
10 expected to offset plant additions enough to allow these excess balances to remain.

11
12 Interest income adjustment is calculated by scheduling test year end balances
13 adjusted for expected changes and multiplying by the current rate. This
14 calculated interest income is compared to test year interest income to generate
15 the interest income adjustment.

18 **Estimated Interest Income:**

20	RUS Cushion of Credit - estimated balance	\$ 5,000,000	
21	Interest Rate	5.00%	
22	Estimated Income		\$ 250,000
23			
24	Certificate of Deposit at KAEC	5,000	
25	Interest Rate	5.00%	
26	Estimated Income		250
27			
28	Commerical Paper at NRuCFC		
29	January	3,000,000	
30	February	2,500,000	
31	March	2,000,000	
32	April	1,500,000	
33	May	1,000,000	
34	June	500,000	
35	July	-	
36	August	-	
37	September	-	
38	October	-	
39	November	-	
40	December	-	
41	Sub-total	10,500,000	
42	Twelve month average balance	875,000	
43	Interest Rate	5.25%	
44	Estimated Income		45,938
45			
46	CFC's SCTC's		
47	Estimated income same as test year		204,000
48			
49	Paducah Bank Cash Management Interest		
50	Estimated income same as test year		52,000
51			
52	Estimated total normalized interest income		\$ 552,188
53			
54	Test year interest income		\$ 593,283
55			
56	Normalized interest income adjustment		\$ (41,096)

Jackson Purchase Energy Corporation
Case No. 2007-00116
Payroll Adjustment
December 31, 2006

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To reflect the salary and wages increases granted under the bargaining agreement, the step increases granted and promotions granted during the year. For non-bargaining hourly employees, overtime is calculated at straight time for hours where total worked hours are less than 40 per week and 1 1/2 times pay for hours worked over 40 per week. For bargaining employees, overtime is paid at 1 1/2 times regular pay for hours over 8 hours per day or for days following when an employee is not allowed at least eight hours of rest. Bargaining employees are paid 2 times pay for hours on Sunday and Holidays. Additionally, a 30% premium is paid to the "on-call" crew all time in the week they are "on-call"

Jackson Purchase Energy Corporation has always hired summer and part time employees and anticipates this to continue into future years. These employees were normalized at the same rate and hours during the test year.

Non-bargaining employees receive wage and salary increases according to the company's wage and salary policy and utilizing the COMPensate plan prepared by NRECA. Wage and salary increases follow these precedures, are set individually and accordingly there is no set overall increase in salaries and wages. Newly hired non-bargaining employees receive a 3 month and 6 month and annual salary review. After that initial period employees receive an annual review as of June 30th, however, special adjustments may sometimes be made.

Bargaining employees are governed by a bargaining agreement entered into as of November 3, 2005, lasting for a period of 8 years. Bargaining employees were given a one-time \$111 signing bonus in 2006, which has been removed for rate-making purposes. Wages are adjusted on the 3rd day of November each year. Wages are generally tied to an index based on a Line Technician wages.

Wage increases for a fully qualified Line Technician are as follows:

	Increase
11/3/06	3.00%
11/3/05	3.00%
11/3/04	2.56%
11/3/03	2.62%
11/3/02	2.69%

All employees are allowed to elect to be paid for unused sick and vacation time under certain conditions.

The amount of increase was allocated based on the actual test year.

Projected wages	\$4,600,926
Actual wages for test year	<u>4,506,947</u>
Adjustment	<u><u>\$ 93,979</u></u>

The allocation is on the following page:

Jackson Purchase Energy Corporation
 Case No. 2007-00116

Allocation of increase in payroll:

		Labor Distribution	Percent	Allocation	
10	107.100	Construction WIP - Contractors	22,268	0.5%	464
11	107.200	CWIP - Jackson Purchase Crews	1,178,969	26.2%	24,583
12	108.664	Accum Depr - Poles, Towers, & Fixture	8,357	0.2%	174
13	108.800	Retire. WIP - JPECC Crews	228,400	5.1%	4,763
14	108.810	Retire. WIP - Contractors	389	0.0%	8
15	143.000	Other Accounts Receivable	343	0.0%	7
16	143.320	A/R - Winter Storm Assistance	7,257	0.2%	151
17	143.700	Other Accts Rec/Employee Cash Pymts	-	0.0%	-
18	163.000	Stores Expense-Undistributed	198,339	4.4%	4,136
19	184.100	Transportation Expense/Clearing	133,904	3.0%	2,792
20	417.110	Customer Service Costs - Long Distance	46	0.0%	1
21	580.000	Operation Supervision & Engineering	107,129		
22	582.000	Station Expenses	7,947		
23	583.000	Overhead Line Expenses	58,045		
24	583.100	O/H Line Exp. - PCB Test & Inspection	177		
25	583.200	Overhead Line Expense - Line Patrol	5,387		
26	583.300	O/H Line Exp. - Oil SP Cleanup/100 Reg.	281		
27	584.000	Underground Line Expenses	29,467		
28	586.000	Meter Expenses	48,648		
29	586.100	Meter Exp. - Routine Conn. & Disconn.	146,774		
30	586.200	Meter Records - Prep. & Maint.	1,002		
31	587.000	Customer Installation Expenses	1,924		
32	588.000	Misc. Dist. Expenses - Labor & O/H	176,850		
33	588.100	Misc. Dist. Exp - Office Supplies/Exp	1,085		
34	588.200	Other Miscellaneous Distribution Expense	94,463		
35	588.300	Mis. Distribution - Mapping Costs	47,621	16.1%	15,155
36	590.000	Maintenance Supervision & Engineering	47,487		
37	592.000	Maintenance of Station Equipment	51,264		
38	593.000	Maintenance of Overhead Lines	483,535		
39	593.100	Maint. Of Overhead lines - Storms	19,154		
40	594.000	Maintenance of Underground Lines	59,268		
41	596.000	Maintenance of Steel Lights	11,302		
42	598.000	Maint of MSC Dist. Plant - Telephone Lines	78,106	16.6%	15,641
43	901.000	Supervision of Customer Accounts	8,837		
44	902.000	Meter Reading Expenses	40,092		
45	902.100	Meter Reading Expenses - System	7,939		
46	903.000	Customer Records & Collection Expense	145,266		
47	903.200	Cust Rcds & Collection - Complaints, Adj.	48,284		
48	903.300	Cust Rcds & Collection - Connects & Dis	61,540		
49	903.400	Cust Rcds & Collection - Delinquent Accts	37,528		
50	903.410	Delinquent Accts Over 30 Days	103		
51	903.500	Cust. Records - Document Scanning	20,611	8.2%	7,719
52	907.000	Customer Service - Supervision	49,799		
53	908.000	Customer Assistance Expenses	38		
54	910.000	Misc. Customer Svc & Information Exp.	73,334	2.7%	2,568
55	920.000	Administrative & General Salaries	495,722		
56	920.010	Admin. & General - Joint Use Salaries	3,528		
57	920.100	Admin. & General Salaries - Manager	143,964		
58	925.000	Injuries and Damages	26,438		
59	926.200	Other Employee Pensions & Benefit	31,028		
60	930.220	Annual Meeting Expenses	5,845		
61	930.230	News letter Expense	11,322		
62	935.000	Maintenance of G/P Expense	39,999		
63	935.500	Maint of G/P - Miscellaneous	542	16.8%	15,814
64					
65		Total	4,506,947.00	100.0%	93,976
66					

000241

Test Year Hours														
Employee Number	Reg Hrs @ Reg Pay	Reg Hrs @ Premium Pay	Reg Hrs Total	OT Hrs @ Regular		OT Hrs @ Premium		OT Hrs @ Regular		OT Hrs @ Premium		OT Hrs Total	Sick Pay Hours	Vacation Pay Hours
				1.0x	1.5x	1.5x	2.0x	1.5x	2.0x	1.5x	2.0x			

Salary employees														
04-317	2,080.0		2,080.0									0.0	80.0	16.0
05-178	2,080.0		2,080.0									0.0		
01-323	2,080.0		2,080.0									0.0	96.0	
06-277	2,080.0		2,080.0									0.0	88.0	8.0
06-300	2,080.0		2,080.0									0.0	88.0	40.0
04-288	2,080.0		2,080.0									0.0	40.0	40.0
05-186	2,080.0		2,080.0									0.0	56.0	48.0
03-264	2,080.0		2,080.0									0.0	64.0	24.0
01-284	2,080.0		2,080.0									0.0	88.0	
05-152	2,080.0		2,080.0									0.0	96.0	72.0
02-194	2,080.0		2,080.0									0.0	83.0	
05-218	2,080.0		2,080.0									0.0	96.0	
01-256	2,080.0		2,080.0									0.0	96.0	
04-213	2,080.0		2,080.0									0.0	96.0	
07-302	2,080.0		2,080.0									0.0	96.0	64.0
03-260	2,080.0		2,080.0									0.0	88.0	80.0
03-169	2,080.0		2,080.0									0.0	96.0	40.0
06-274	2,080.0		2,080.0									0.0	96.0	

Hourly, non bargaining														
06-145	2,080.0		2,080.0	1.5	26.0							27.5	82.0	36.0
06-279	2,080.0		2,080.0	52.0	130.5							182.5	67.0	12.0
04-016	2,080.0		2,080.0	0.0	62.5							62.5	63.0	
03-322	2,080.0		2,080.0	0.0	24.0							24.0		
04-282	2,080.0		2,080.0	40.0	376.5				24.0			440.5	95.0	80.0
05-126	2,080.0		2,080.0	6.5	228.5				4.5			239.5	96.0	32.0
03-275	2,080.0		2,080.0	8.0	37.5							45.5	65.5	
04-297	2,080.0		2,080.0	2.5	47.0							49.5	76.5	
04-321	2,080.0		2,080.0	40.0	400.0							440.0	16.0	80.0
04-181	2,080.0		2,080.0	84.5	461.0							545.5	59.0	
02-220	2,080.0		2,080.0	1.0	12.0							13.0	79.5	
06-300	2,080.0		2,080.0	52.5	157.5							210.0	38.0	
02-295	2,080.0		2,080.0	0.0	11.0							11.0	44.5	
04-285	2,080.0		2,080.0	129.5	542.5							672.0	76.0	20.0
04-128	2,080.0		2,080.0	0.5	3.0							3.5		
02-202	2,080.0		2,080.0	0.0	15.5							15.5	73.0	
04-267	2,080.0		2,080.0	35.5	214.5							250.0	59.0	32.0
02-018	2,080.0		2,080.0	5.0	3.5							8.5	84.5	
04-257	2,080.0		2,080.0	26.5	128.0							154.5		
03-324	2,080.0		2,080.0	0.0	8.0							8.0		
03-327	1,040.0		1,040.0									0.0		
02-315	2,080.0		2,080.0	0.5	14.0							14.5	49.0	4.0

Jackson Purchase Energy Corporation
Case No. 2007-00116
Employee Earnings and Hours
December 31, 2006

Employee Number	Test Year Hours													Vacation Pay Hours
	Reg Hrs @ Reg Pay	Reg Hrs @ Premium Pay	Reg Hrs Total	OT Hrs @ Regular 1.0x	OT Hrs @ Regular 1.5x	OT Hrs @ Premium 1.5x	OT Hrs @ Premium 2.0x	OT Hrs @ Premium 2.0x	OT Hrs @ Premium 2.0x	OT Hrs @ Premium 2.0x	OT Hrs Total	Sick Pay Hours	Vacation Pay Hours	
02-192	2,080.0		2,080.0	9.0	17.5						26.5	62.0		
02-326	2,080.0		2,080.0		1.0						1.0			
02-246	2,080.0		2,080.0	1.5	16.0						17.5	84.5		
02-273	2,080.0		2,080.0	9.5	48.5						58.0			
Hourly, bargaining														
05-214	2,040.0	40.0	2,080.0	0.0	24.0	14.0				3.0	41.0			
05-320	2,080.0	0.0	2,080.0	0.0	112.5	0.0				0.0	112.5			
05-174	2,080.0		2,080.0	0.0	26.0						26.0	88.0		
05-234	2,008.0	72.0	2,080.0		156.0	103.0	19.0			26	304.0			
05-153	1,928.0	152.0	2,080.0		125.0	155.0	42.0			70	391.5			
05-229	1,760.0	320.0	2,080.0		132.5	538	43.5			118	692.0	11.5		
05-304	1,920.0	160.0	2,080.0		155.0	161.5	37.5			63	417.0			
05-328	2,080.0	0.0	2,080.0		59.5		25.0				84.5			
05-301	1,833.0	247.0	2,080.0		185.0	297.5	13.5			110	605.5			
05-225	1,928.0	152.0	2,080.0		283.0	229	60.5			59	631.5	20.0		
05-201	1,888.0	192.0	2,080.0		174.5	217.0	26.5			94	512.0			
05-160	2,080.0	0.0	2,080.0		94.0		8.0				102.0	15.5		
05-233	1,906.0	174.0	2,080.0		251.5	183	15.5			61	510.0		32.0	
05-314	2,080.0	0.0	2,080.0		214.0		35.5				249.5	40.0		
05-312	2,080.0	0.0	2,080.0		186.5		31.5				218.0	96.0		
05-084	2,080.0	0.0	2,080.0		58.5		23.5				82.0	35.0		
05-190	2,080.0	0.0	2,080.0		31.0						31.0			
05-268	1,920.0	160.0	2,080.0		181.5	213	35.5			78	507.5			
05-308	1,876.0	204.0	2,080.0		203.5	202	49.0			62	516.0	4.0		
05-258	1,960.0	120.0	2,080.0		208.5	143	31.5			64	446.0			
05-199	1,976.0	104.0	2,080.0		139.5	161	22.0			37	359.0			
05-329	2,080.0	0.0	2,080.0		66.5		25.0				91.5	8.0		
05-065	2,080.0	0.0	2,080.0		92.0						92.0			
05-255	1,992.0	88.0	2,080.0		257.5	73	56.5			20	406.5			
02-136	2,080.0	0.0	2,080.0		614.5		8.0				622.5	48.0		
05-112	1,896.0	184.0	2,080.0		179.5	239	18.0			77	513.0	56.0	64.0	
02-203	2,080.0		2,080.0		705.5		44.0				777.5	36.0		
05-292	2,080.0	0.0	2,080.0		233.5		6.0				277.5	12.5		
05-252	2,080.0	0.0	2,080.0		364.5	34	24.5			17	403.5	16.0		
05-245	2,080.0		2,080.0		128.5						128.5			
05-283	2,080.0		2,080.0		289.5		35.5				325.0			
05-253	1,880.0	200.0	2,080.0		194.5	222	51.5			110	577.5			
05-224	1,840.0	240.0	2,080.0		110.0	303	14.0			97	523.5			
05-219	1,840.0	240.0	2,080.0		272.5	236	29.0			83	620.0			
05-226	1,946.0	134.0	2,080.0		60.0	165	12.0			50	287.0	4.0		
05-281	1,872.0	208.0	2,080.0		155.5	164	12.0			56	387.5			

Test Year Hours

Employee Number	Reg Hrs @ Reg Pay	Reg Hrs @ Premium Pay	Reg Hrs Total	Reg Hrs @ 1.0x	OT Hrs @ Regular	OT Hrs @ 1.5x	OT Hrs @ 1.5x	OT Hrs @ Premium	OT Hrs @ 2.0x	OT Hrs @ Premium2	OT Hrs Total	Sick Pay Hours	Vacation Pay Hours
04-325	320.0	0.0	320.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0		
05-289	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0		
04-319	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
03-307	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
07-025	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
05-309	1,284.0	96.0	1,380.0	65.5	172	32.0	32	32	32	32	272.0		
05-121	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
02-318	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0		
02-313	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
03-316	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Summer and part time	163,573.0	3,487.0	167,060.0	506.0	9,804.5	4,222.0	919.0	1,382.0	16,833.5	3,043.5	876.0		

Terminated

Summer and part time

Jackson Purchase Energy Corporation
Case No. 2007-00116
Employee Earnings and Hours
December 31, 2006

Test Year Wages

Employee Number	Regular	Overtime	Sick Pay	Vacation Pay	Bonus	On Call Supervisor Pay	1 time sign Union Bonus	Acting Sub Foreman Pay	Holiday Premium Pay	Night/Wk and Dispatch	Total
Salary employees											
04-317	94,101	0	3,842	768		3,575					98,712
05-178	77,595	0									81,170
01-323	32,713	0									32,713
06-277	54,295	0	2,459								56,754
06-300	64,531	0	2,503	228		3,250					70,511
04-288	63,877	0	2,423	1,101		3,575					70,976
05-186	72,437	0	1,312	1,312		3,250					78,312
03-264	61,554	0	1,347	1,155	10,000						74,056
01-284	40,044	0	1,180	443							41,667
05-152	70,990	0	2,816			3,250					77,056
02-194	58,062	0	2,389	1,792		3,250					65,494
05-218	44,363	117	1,786								46,266
01-256	143,347	0	6,450								149,797
04-213	56,240	0									56,240
07-302	57,820	0	2,537								60,357
03-260	43,142	0	1,901	1,267							46,310
03-169	81,175	0	3,178	2,889							87,241
06-274	95,679	0	4,024	1,677		3,250					104,630
Hourly, non bargaining											
06-145	45,158	788	1,714	752							48,413
06-279	37,038	3,257	1,156	207						68	41,657
04-016	43,381	1,880	1,305								46,634
03-322	12,037	385								1,420	12,422
04-282	40,633	10,670	1,727	1,645							54,450
05-126	45,662	7,089	1,974	403							56,370
03-275	26,721	694	825								28,643
04-297	37,510	1,236	1,368							1,224	40,114
04-321	21,578	4,705	244							110	27,751
04-181	42,854	12,726	1,116	1,513							58,319
02-220	35,518	317	1,336								37,171
06-300	38,209	4,102	692								43,003
02-295	23,177	199	559								23,935
04-285	471	15,159	1,469	387							17,486
04-128	40,774	91									40,865
02-202	37,481	409	1,296								39,186
04-267	32,904	4,771	913	495							39,084
02-018	37,512	91	1,475								39,079
04-257	34,728	3,076									37,804
03-324	9,972	123									10,095
03-327	4,015	0									4,015
02-315	27,162	274	639	52							28,128

Test Year Wages											
Employee Number	Regular	Overtime	Sick Pay	Vacation Pay	Bonus	On Call Supervisor Pay	1 time sign Union Bonus	Acting Sub Foreman Pay	Holiday Premium Pay	Night/Wk and Dispatch	Total

Summer and part time 04-325	3,840	216									4,056
Terminated											
05-289	3,993	33									4,027
04-319	610	0									610
03-307	9,282	197									9,479
07-025	14,507	1,702									16,208
05-309	35,095	12,931					111	12			48,149
05-121	26,266	0									26,266
02-318	2,765	0									2,765
02-313	13,420	38									13,458
03-316	5,715	0									5,715
	3,715,271	641,802	74,454	21,110	10,000	23,400	3,763	13,442	884	2,822	4,506,947

000247

Witness: Chuck Williamson

Analysis of Salaries and Wages
For the calendar years 2003 through 2005
and the Test year

Line No	Item (a)	Twelve Months Ended						Test year 2006	
		2003		2004		2005		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	1,323,262	2%	1,226,973	-7%	1,275,452	4%	1,476,916	16%
3	Customer accounts expense	379,542	-8%	406,959	7%	390,543	-4%	370,200	-5%
4	Customer service and information	64,668	28%	75,442	17%	115,423	53%	123,171	7%
5	Sales expense	112	-81%	696	521%	73	-90%	0	-100%
6	Administrative and general expenses:								
	(a) Administrative and general	450,010	11%	535,415	19%	540,488	1%	643,214	19%
	(b) Office supplies and expense								
	(c) Outside services employed								
	(d) Property insurance								
	(e) Injuries and damages	2,141	23%	601	-72%	23,931	3882%	26,438	10%
	(f) Employees hospitalization and benefits	28,614	23%	26,136	-9%	22,272	-15%	31,028	39%
	(g) Retirement and security								
	(h) Miscellaneous general	22,109	0%	21,216	-4%	10,967	-48%	17,167	57%
	(i) Maintenance of general plant	27,819	-22%	26,736	-4%	42,285	58%	40,541	-4%
7	Total administrative and general expenses L6(a) to L6(i)	530,693	9%	610,104	-3%	639,943	-3%	758,388	-3%
8	Charged to clearing and others	278,093	1%	287,385	3%	488,365	70%	339,889	-30%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	2,576,370	2%	2,607,559	1%	2,909,799	12%	3,068,564	5%
10	Wages capitalized	1,167,646	9%	1,404,665	20%	1,401,016	0%	1,438,383	3%
11	Total salaries and wages	3,744,016	4%	4,012,224	7%	4,310,815	7%	4,506,947	5%
12	Ratio of salaries and wages charged to expense to total wages L9 / L11	69%		65%		67%		68%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	31%		35%		33%		32%	
14	Overtime wages	427,355	9%	536,216	25%	621,469	16%	641,802	3%
15	Overtime hours	12,013		14,647		16,200		16,834	

Jackson Purchase Energy Corporation
Pay Changes 2001-2006 and Reasons for Changes in Test Year
Union Employees

Emp No.	2001	2002		2003		2004		2005		2006	
	Wage Rate Jan.-Dec.	Wage Rate Jan.-Dec.	% Inc.								
5-108	23.38	24.01	2.7%								
5-214	22.27	22.87	2.7%	23.47	2.6%	25.27	7.7%	26.28	4.0%	27.32	4.0%
5-320										14.87	N/A
										16.11	8.3%
										16.60	3.0%
5-174	22.27	22.87	2.7%	24.64	7.7%	25.27	2.6%	26.28	4.0%	27.32	4.0%
5-234	22.27	22.87	2.7%	23.47	2.6%	24.07	2.6%	24.79	3.0%	25.54	3.0%
5-153	23.38	24.01	2.7%	24.64	2.6%	25.27	2.6%	26.28	4.0%	27.32	4.0%
5-229	22.27	22.87	2.7%	23.47	2.6%	24.07	2.6%	24.79	3.0%	25.54	3.0%
5-304						19.26	N/A	20.46	6.2%	23.55	4.4%
								21.07	3.0%	24.26	3.0%
								22.56	7.1%	25.54	5.3%
5-328										12.40	N/A
										12.77	3.0%
5-301						16.43		20.46	6.2%	23.55	4.4%
						18.78	14.3%	21.90	7.0%	24.79	5.3%
						19.26	2.6%	22.56	3.0%	25.54	3.0%
5-225	22.27	22.87	2.7%	24.64	7.7%	25.27	2.6%	26.28	4.0%	27.32	4.0%
5-201	22.27	22.87	2.7%	23.47	2.6%	25.27	7.7%	26.28	4.0%	27.32	4.0%
5-160	21.16	21.73	2.7%	22.30	2.6%	22.87	2.6%	23.55	3.0%	24.26	3.0%
5-233	22.27	22.87	2.7%	23.47	2.6%	24.07	2.6%	24.79	3.0%	25.54	3.0%
5-289		13.36	N/A	14.87	8.4%	17.60	7.1%	20.46	6.2%	22.31	
		13.72	2.7%	16.01	7.7%	18.78	6.7%	21.66	5.9%		
				16.43	2.6%	19.26	2.6%	22.31	3.0%		
5-314								12.04	N/A	14.87	9.1%
								12.40	3.0%	15.32	3.0%
								13.63	9.9%	16.60	8.4%
5-312								12.04		14.87	9.1%
								12.40	3.0%	15.32	3.0%
								13.63	9.9%	16.60	8.4%
5-084	20.71	21.27	2.7%	21.83	2.6%	22.39	2.6%	23.05	3.0%	23.75	3.0%
4-190	16.70	17.15	2.7%	17.60	2.6%	18.05	2.6%	18.59	3.0%	19.16	3.0%
5-268	18.93	21.73	14.8%	23.47	8.0%	24.07	2.6%	24.79	3.0%	25.54	3.0%
5-308								24.79		25.54	3.0%
5-199	23.38	24.01	2.7%	24.64	2.6%	25.27	2.6%	26.28	4.0%	25.54	---
5-258	15.59	18.30	17.4%	19.95	9.0%	24.07	20.7%	24.79	3.0%	25.54	3.0%